

**State of California**

Franchise Tax Board-Legislative Services Bureau  
PO Box 1468 MS A350  
Sacramento, CA 95812-1468

Telephone: (916) 845-4326  
ATSS: (916) 468-4326  
FAX: (916) 845-5472

**Legislative Change No.**

**07-24**

Bill Number: AB 14 Author: Laird Chapter Number: 07-568

Laws Affecting Franchise Tax Board: Sections 17269 and 24343.2 of the Revenue and Taxation Code;  
Sections 11015 and 11131 of the Government Code

Date Filed with the Secretary of State: October 12, 2007

**SUBJECT:** Civil Rights Act of 2007/Discrimination/Business Expense Deduction/Discriminating Clubs

**Assembly Bill 14 (Laird), as enacted on October 12, 2007, made the following changes to laws impacting the Franchise Tax Board:**

This act establishes the Civil Rights Act of 2007, which amends various California Codes to redefine characteristics that form the basis for prohibited discrimination.

Section 17269 of the Revenue and Taxation Code is repealed.

The act repeals a superfluous and redundant version of Section 17269.

Section 17269 of the Revenue and Taxation Code is amended.

The act redefines the characteristics that form the basis for discrimination that, if such discrimination occurs, will result in disallowance of otherwise deductible business expenses for payments made to certain clubs. Under the provisions of the act, such prohibited discrimination is on the basis of ancestry and "any characteristic listed or defined in Section 11135 of the Government Code." Such characteristics include race, national origin, ethnic group identification, religion, age, sex, sexual orientation, color, or disability.

Section 24343.2 of the Revenue and Taxation Code is amended.

The act redefines the characteristics that form the basis for discrimination that, if such discrimination occurs, will result in disallowance of otherwise deductible business expenses for payments made to certain clubs. Under the provisions of the act, such prohibited discrimination is on the basis of ancestry and "any characteristic listed or defined in Section 11135 of the Government Code," as described above.

Assistant Bureau Director

Patrice Gau-Johnson

Date

11/1/07

Section 11015 of the Government Code is amended.

The act redefines the characteristics that form the basis for discrimination relating to membership practices in any organization that, if such discrimination occurs, state funds are prohibited from being used for membership or for any participation involving a payment or contribution in that organization. Under the provisions of the act, such prohibited discrimination is on the basis of “any characteristic listed or defined in Section 11135 of the Government Code,” as described above.

Section 11131 of the Government Code is amended.

The act redefines the characteristics that form the basis for discrimination relating to admittance in a facility that, if such discrimination occurs, state agencies are prohibited from holding any meeting, conference, or other function in that facility. Under the provisions of the act, such prohibited discrimination is on the basis of “any characteristic listed or defined in Section 11135 of the Government Code,” as described above.

This act is effective on January 1, 2008, and operative for taxable years beginning on or after that date.

This act will not require any reports by the department to the Legislature.